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VIA BPU E-FILING SYSTEM & ELECTRONIC MAIL

December 10, 2021

In the Matter of the Provision of Basic Generation Service
for the Period Beginning June 1, 2021

BPU Docket No. ER200030190

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Compliance Tariff Filing Reflecting Changes to Schedule 12 Charges in PJM Open Access
Transmission Tariff

BPU Docket No. _____

Aida Camacho-Welch
Secretary of the Board
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Trenton, New Jersey 08625-0350

Dear Secretary Camacho-Welch:

Enclosed for filing on behalf of Atlantic City Electric Company ("ACE"), Jersey Central Power & Light Company ("JCP&L"), Public Service Electric and Gas Company ("PSE&G") and Rockland Electric Company ("RECO") (collectively, the "EDCs") please find tariff sheets and supporting exhibits proposed by each of the EDCs.¹

¹ This Compliance Tariff Filing has also been uploaded to the Board of Public Utilities' E-Filing system. Consistent with the Order issued in connection with *In the Matter of the New Jersey Board of Public Utilities' Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations*, BPU Docket No. EO20030254, Order dated March 19, 2020, these documents are only being electronically filed with the Secretary of the Board and the proposed Service List. No paper copies will follow.

Request for Board Approval of Revised Tariff Rates Related to Open Access Transmission Tariffs

The tariff sheets have been revised to reflect changes to the PJM Interconnection (“PJM”) Open Access Transmission Tariff (“OATT”) made in response to a PSE&G filing made with the Federal Energy Regulatory Commission (“FERC”) on October 15, 2020 in FERC Docket No. ER09-1257-000. The subsequent compliance filing made on October 11, 2021 in FERC Docket Nos. ER21-2450 and ER22-81-000 was accepted by FERC on December 2, 2021.

These changes implement the agreement executed on July 14, 2021 among PSE&G, the New Jersey Board of Public Utilities and New Jersey Division of Rate Counsel that required PSE&G to modify its 2021 Formula Rate Update filed on October 15, 2020 with FERC.

A. Background of the OATT Filings

In its Order dated November 18, 2020 (BPU Docket No. ER20030190), the New Jersey Board of Public Utilities (the “Board” or “BPU”) authorized the EDCs to recover FERC-approved changes in firm transmission service-related charges from Basic Generation Service (“BGS”) customers and pay PJM directly.

The annual update for formula rate transmission service of the Transmission Enhancement Charges (“TECs”) detailed in Schedule 12 of the PJM OATT and the Network Integration Transmission Service Rate (“NITS”) was implemented to compensate transmission owners for the annual transmission revenue requirements and for “Required Transmission Enhancements” (again, as defined in the PJM OATT) that are requested by PJM for reliability or economic purposes. TECs are recovered by PJM through an additional transmission charge in the transmission zones assigned cost responsibility for Required Transmission Enhancement Projects. In turn, the EDCs file with the Board for approval to recover TECs and NITS charges from BGS customers and to pay PJM for costs assigned to them by PJM for the load served in the respective EDC service territories.

B. Request for Board Approval of the Revised Tariff Rates and for Authorization to Pay PJM

Because EDCs will begin to pay these decreased transmission charges in December 2021, and to receive retroactive refunds back to August 1, 2021 in January 2022, the EDCs request a waiver of the 30-day filing requirement.

The EDCs also seek authority from the Board to credit BGS customers for these lower 2021 transmission charges (“PSE&G ROE Refund”) over a 12-month period beginning in January 2022.

The EDCs respectfully request Board approval to implement the attached, revised BGS-RSCP and BGS-CIEP tariff rates effective January 1, 2022. In support of this request, the EDCs have included pro-forma tariff sheets shown in Attachment 2a (PSE&G), Attachment 3a (JCP&L), Attachment 4a (ACE), and Attachment 5a (RECO). The proposed BGS tariff rates have been modified in accordance with the Board-approved methodology contained in each EDC's Company-Specific Addendum in the above-referenced BGS proceedings and in conformance with each EDC's Board-approved BGS tariff sheets. The attached pro-forma tariff sheets propose an effective date of January 1, 2022 and will remain in effect until changed with the exception of the proposed 12 month PSE&G ROE Refund that will be set to zero after 12 months. The BGS-RSCP and BGS-CIEP rates included in the amended tariff sheets for each EDC are revised to reflect the lower transmission costs retroactively effective on August 1, 2021.

Attachment 1 shows the derivation of the Revised PSE&G Network Integration Transmission Service Charge ("Derived NITS Rate"), the current PSE&G Derived NITS Rate, and the resulting decrease that went into effect August 1, 2021 per the agreement. The translation of the transmission zone rate impact to the BGS rates of each of the EDCs is included as Attachments 2, 3, 4, and 5 for PSE&G, JCP&L, ACE, and RECO, respectively. Attachment 6a shows the revised annualized cost impact for the January through December 2021 period for each of the EDCs, Attachment 6b shows the current cost impact for the January through December 2021 period for each of the EDCs, and Attachment 6c captures the PSE&G ROE Refund amounts to be amortized over a 12 month period. These costs were allocated to the various transmission zones using the cost information from the formula rates for PSE&G and posted on the PJM website. Attachment 7 provides responsible customer charges for Schedule 12 Projects for the EDCs from the PSE&G OATT. Attachment 8 is the FERC Order accepting the revised PSE&G Formula Rate filing, and Attachments 9 and 10 show PSE&G's Revised formula rate filing and the initial formula rate filing, respectively.

Copies of the OATT Filing and all formula rate updates can be found on the PJM website at:

<http://www.pjm.com/markets-and-operations/billing-settlements-and-credit/formula-rates.aspx>.

Any differences between payments to PJM and charges to customers will flow through BGS Reconciliation Charges. This treatment is consistent with the previously-approved mechanisms.

We thank the Board for all courtesies extended.

Respectfully submitted,



Attachments

cc: Stacy Peterson, BPU (Electronic)
Paul Lupo, BPU (Electronic)
Brian Lipman, Division of Rate Counsel (Electronic)
Service List (Electronic)

**PUBLIC SERVICE ELECTRIC AND GAS COMPANY
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